

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, THE
EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO, AND THE PUERTO RICO PUBLIC
BUILDINGS AUTHORITY,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**URGENT MOTION TO ADJOURN HEARING TO
CONSIDER THE ADEQUACY OF INFORMATION CONTAINED
IN THE DISCLOSURE STATEMENT AND RELATED DEADLINES**

To the Honorable United States District Court Judge Laura Taylor Swain:

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as representative of the Commonwealth of Puerto Rico (the “Commonwealth”), the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), and the Puerto Rico Public Buildings Authority (“PBA”), pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”)² (the Oversight Board, in its

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² PROMESA is codified at 48 U.S.C. §§ 2101-2241.

capacity as representative of the Commonwealth, ERS, and PBA, is referred to as the “Debtors”), respectfully submits this urgent motion (the “Motion”) for an order, substantially in the form annexed hereto as Exhibit A (the “Proposed Order”), adjourning the hearing to consider the adequacy of information contained in the disclosure statement and related deadlines set forth in the Scheduling Order (as defined below). In support of this Motion, the Debtors respectfully state as follows:

Background

1. On February 9, 2020, the Oversight Board announced the execution of a Plan Support Agreement (the “PSA”) which, among other things, provides the framework for a plan of adjustment for each of the Debtors. As of the date hereof, holders of GO Bonds and PBA Bonds, each as defined in the PSA, holding in excess of sixty percent (60%) of such outstanding bonds have executed the PSA, or joinders or annexes thereto.

2. Consistent with their obligations pursuant to the PSA, on February 28, 2020, the Debtors filed that certain *Amended Title III Joint Plan of Adjustment for the Commonwealth of Puerto Rico, et al.* [ECF No. 11946] (the “Plan”) and the *Disclosure Statement for the Amended Title III Joint Plan of Adjustment for the Commonwealth of Puerto Rico, et al.* [ECF No. 11947] (the “Disclosure Statement”).

3. Pursuant to the Court’s *Order (I) Scheduling a Hearing to Consider the Adequacy of Information Contained in the Disclosure Statement, (II) Establishing the Deadline for Filing Spanish Translation of the Disclosure Statement, (III) Establishing the Deadline for Filing Objections to the Disclosure Statement and Replies Thereto, and (IV) Granting Related Relief*, dated March 10, 2020 [ECF No. 12187] (the “Scheduling Order”), the Court established June 3, 2020, at 9:30 a.m., and, if necessary, June 4, 2020, as the dates for the hearing to consider the

adequacy of the information contained in the Disclosure Statement (the “Disclosure Statement Hearing”) in accordance with section 1125 of the Bankruptcy Code, applicable herein pursuant to Section 301 of PROMESA. In connection therewith, the Court also established the following schedule:

- **Disclosure Statement Objection Deadline:** April 24, 2020, at 5:00 p.m. (Atlantic Standard Time); and
- **Disclosure Statement Reply Deadline:** May 20, 2020, at 5:00 p.m. (Atlantic Standard Time).

4. On March 15, 2020, and in response to the spread of COVID-19 throughout Puerto Rico, the Governor of Puerto Rico signed the *Executive Order of the Governor of Puerto Rico, Hon. Wanda Vázquez Garced, to Make Viable the Necessary Government and Private Closures to Fight the Effects of Coronavirus (COVID-19) and Control the Risk of Contagion on Our Island*, Administrative Bulletin No. OE-2020-023 (the “Executive Order”). The Executive Order directed the “closure of all businesses in Puerto Rico as of today, March 15 at 6:00 p.m. until March 30, 2020.” The spread of COVID-19 and the economic effects therefrom, including from the closure of all non-essential businesses on Puerto Rico, cannot be calculated at this time and the attention of the Government is dedicated to addressing the pandemic.

5. Similarly, the Oversight Board is focused on the physical and economic well-being of the people of Puerto Rico and is working collaboratively with the Government toward that end. To do so, on March 21, 2020, the Oversight Board issued a press release announcing, among other things, that it will “present a motion in court to adjourn consideration of the proposed Plan of Adjustment’s disclosure hearing” in light of the “drastic impacts of COVID-19” and that “the Oversight Board believes that the Government and the Oversight Board’s sole focus should be on getting Puerto Rico through this unfortunate crisis.” Press Release, Financial Oversight and Management Board for Puerto Rico, *Oversight Board Statement on COVID-19 and the*

Commonwealth of Puerto Rico's Debt Restructuring Proceedings (Mar. 21, 2020), available at <https://oversightboard.pr.gov/documents/>.

Jurisdiction and Venue

6. The United States District Court for the District of Puerto Rico has subject matter jurisdiction over this Motion pursuant to PROMESA section 306(a).

7. Venue is proper in this district pursuant to PROMESA section 307(a).

Relief Requested

8. In light of the COVID-19 crisis, the Debtors request that, subject to the subsequent submission of a status report on or prior to May 15, 2020, the Disclosure Statement Hearing and the related deadlines be adjourned.

Limited Adjournment of the Disclosure Statement Hearing and Related Deadlines is Appropriate

9. The world is making “real time” adjustments to inhibit the spread of COVID-19 and to the ramifications resulting therefrom, including statewide orders like the Executive Order.³ As mentioned above, the Oversight Board, together with the Government of Puerto Rico, are addressing such effects and collaboratively developing methods and means with respect thereto. Such development is ongoing and measures will be implemented.

10. Like elsewhere throughout the United States, to properly assess such measures and means will require some time. Thus, the Oversight Board submits that the Scheduling Order should be modified to permit an adjournment of the Disclosure Statement Hearing and the related Deadlines. The requested adjournment should be limited in length and be subject to the submission

³ See, e.g., Cal. Exec. Order No. N-35-20 (Mar. 21, 2020), <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.21.20-EO-N-35-20.pdf>; N.Y. Exec. Order No. 202.8 (Mar. 20, 2020), https://www.governor.ny.gov/sites/governor.ny.gov/files/atoms/files/EO_202.8.pdf.

of a status report to the Court by the Debtors in order to apprise the Court of the relief efforts and economic situation on-island.

11. A pragmatic approach to scheduling takes multiple interests into account and allows the Title III cases to remain “on track.” Pursuant to Section 7.1 of the PSA, the parties thereto have the right to terminate such agreement, and therefore, their support for the Plan in the event an order approving the Disclosure Statement is not entered by August 31, 2020. Such widespread support for the Plan is critical and the Oversight Board does not wish such support being lost. Furthermore, like the Mediation Team, the Oversight Board believes that consideration of the Plan and the compromises and settlements embodied therein, as well as the litigation of other issues which have been scheduled by the Court, in a timely manner will benefit all parties.

12. Based upon the foregoing, the Debtors request (a) that the Disclosure Statement Hearing and related deadlines be adjourned on a limited basis and (b) the Debtors be directed to submit a status report on or before May 15, 2020, setting forth, in summary terms, the effects of COVID-19 on the Commonwealth and the measures being undertaken in the Commonwealth to address the pandemic, and a proposed schedule for the Disclosure Statement Hearing and related deadlines, and (c) entry of an order, substantially in the form annexed hereto as **Exhibit A**, consistent therewith.

Notice

13. Notice of this Motion will be provided by facsimile, electronic mail transmission, regular mail and/or hand delivery to the following parties: (a) the Office of the United States Trustee for the District of Puerto Rico; (b) the indenture trustees and/or agents, as applicable, for the bonds issued by the Debtors; (c) the entities on the list of creditors holding the 20 largest unsecured claims against the Debtors; (d) the statutory committees appointed in any of the Title

III cases; (e) the Office of the United States Attorney for the District of Puerto Rico; (f) counsel to the Puerto Rico Fiscal Agency and Financial Advisory Authority; (g) the Puerto Rico Department of Justice; (h) the United States Securities and Exchange Commission; and (h) all parties requesting notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

14. No prior request for the relief sought in this Motion has been made to this or any other court.

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WHEREFORE the Debtors respectfully request entry of the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting such other relief as is just and proper.

Dated: March 23, 2020
San Juan, Puerto Rico

Respectfully submitted,

/s/ Martin J. Bienenstock

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Exhibit A

Proposed Order

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, THE
EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO, AND THE PUERTO RICO PUBLIC
BUILDINGS AUTHORITY,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**ORDER ADJOURNING THE HEARING TO
CONSIDER THE ADEQUACY OF INFORMATION CONTAINED
IN THE DISCLOSURE STATEMENT AND RELATED DEADLINES**

Upon the motion (the “Motion”),² dated March 23, 2020, of the Commonwealth of Puerto Rico (the “Commonwealth”), the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), and the Puerto Rico Public Buildings Authority (“PBA”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board” and in its capacity as representative of the Commonwealth, ERS, and PBA, the “Debtors”), as representative of the debtor under PROMESA section 315(b), requesting an order adjourning

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² Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Motion.

the hearing to consider the adequacy of information contained in the disclosure statement and related deadlines set forth in the Scheduling Order, all as more fully set forth in the Motion; and the Court having subject matter jurisdiction to consider the Motion and the relief requested therein pursuant to PROMESA section 306(a); and it appearing that venue in this district is proper pursuant to PROMESA section 307(a); and due and proper notice of the Motion having been provided and it appearing that no other or further notice need be provided; and the Court having determined the relief sought in the Motion is in the best interests of the Debtors, its creditors, and all parties in interest; and the Court having determined the legal and factual bases set forth in the Motion establish just cause for the relief granted herein, it is hereby ORDERED AS FOLLOWS:

1. The Motion is granted as set forth herein.
2. In light of the COVID-19 crisis facing Puerto Rico, the dates set for the Disclosure Statement Hearing and related deadlines set forth in Paragraph 2 of the Scheduling Order are adjourned.
3. The Debtors shall file a status report setting forth, in summary terms, the effects of COVID-19 on the Commonwealth and the measures being undertaken in the Commonwealth to address the pandemic, and a proposed schedule for the Disclosure Statement Hearing and related deadlines, on or before May 15, 2020.
4. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

5. The Court shall retain jurisdiction with respect to all matters arising from or relating to the interpretation or implementation of this Order.

Dated: _____, 2020
San Juan, Puerto Rico

Laura Taylor Swain
United States District Court Judge